

SUPPLIER CODE OF CONDUCT

INTRODUCTION

The key principles underpinning our relationships with our business partners (suppliers, representatives, agents and intermediaries) include respecting the law, implementing good business practices and ethical principles, and the standards of social responsibility, environmental protection and corporate management.

Given that our success is built on our values and standards, we make sure that our suppliers share the same commitments and that they are bound by the General Terms and Conditions of Purchasing we have adopted ([Purchasing – JGL](#)).

This Code of Conduct shall form an integral part of any contract that JGL concludes with its suppliers, whether it is expressly stated in those contracts or not.

JGL shall include the entire JGL Group (JADRAN-GALENSKI LABORATORIJ d.d. and its affiliated companies).

1. OBLIGATIONS TO SUPPLIERS

JGL strives to maintain long-term partnerships with suppliers who are committed to sustainable development. Our goal is to develop partnerships in order to achieve the best ratio of value and purchase price for JGL and our customers and to ensure responsible supply chain management.

When conducting individual purchasing processes, JGL employees shall be expected to inform the suppliers of JGL's commitment to the highest legal, ethical and moral standards.

Appropriate behaviour in individual purchasing activities is defined by JGL's guidelines, policies and internal rules that regulate purchasing activities with regard to market competition, corruption, conflicts of interest and confidential information. We encourage JGL employees to always consider and re-examine ethical issues. JGL has established internal guidelines for managing different cost categories and supplier relationships. These guidelines ensure a fair, competitive and transparent negotiation process in line with our rules and values.

We encourage the development of our suppliers so that they can improve or expand their capabilities and thus contribute to our own betterment.

We shall treat all of our suppliers with respect, integrity and honesty, the way we want them to treat us.

2. OUR EXPECTATIONS OF SUPPLIERS

This Code of Conduct can only be successfully enforced if it is followed by every individual along the supply chain, which means that suppliers shall also be required to ensure that their subcontractors or intermediaries in the supply chain are familiar with the Code of Conduct and that they comply with it.

2.1. Ethics

JGL's suppliers shall be expected to operate in compliance with the following ethical principles and integrity in order to meet the requirements of social responsibility:

Business integrity

JGL's suppliers shall be expected to adopt a zero-tolerance policy against any form of corruption, extortion or embezzlement. Suppliers shall not allow, nor be directly or indirectly involved in, any form of corruption or bribery and shall not provide, offer or promise to any official or responsible person from the public or private sectors any benefit for the purpose of influencing an official decision or obtaining unfair advantages.

Fair competition

JGL's suppliers shall conduct their business activities in accordance with the principle of fair competition and any applicable regulations on the protection of competition.

Professional secrecy and data protection

JGL's suppliers shall keep or treat all of JGL's professional secrets as confidential and shall handle them to the extent necessary and permitted, in a manner that prevents their unauthorised disclosure. Suppliers shall sign a confidentiality agreement or acknowledge contractual clauses governing confidentiality.

Intellectual property

JGL's suppliers and their employees shall protect JGL's (tangible and intangible) assets, especially its intellectual property.

Clinical trials, research and development

When conducting clinical trials, suppliers shall adhere to international guidelines, applicable national and local rules and regulations, and any applicable medical, scientific and ethical standards. Suppliers shall conduct their research and development activities responsibly, in accordance with legal provisions and current ethical and scientific principles.

Conflict minerals – raw materials

JGL's suppliers shall ensure that appropriate measures are taken to ensure that the products delivered to JGL do not contain raw materials whose sale directly or indirectly finances or benefits armed groups.

2.2. Labour

JGL suppliers shall support diversity at every organisational level and shall not tolerate discrimination based on an individual's age, special needs, faith, skin colour, gender, sexual orientation or any other category defined by applicable laws, regulations and by-laws. In addition, suppliers shall not tolerate any kind of workplace harassment, including, but not limited to, sexual harassment, harassment based on gender, sexual orientation, marital status, race, national or social origin, religious or political beliefs, culture, age, physical fitness, as well as any kind of harassment which is unacceptable in society or the business community.

JGL's suppliers shall comply with labour laws and relations in all of their business locations. Forced or compulsory labour, including involuntary overtime, human trafficking, bonded labour, penal labour, slavery or servitude, are prohibited.

JGL's suppliers shall ensure that the minimum employment age is in line with national legislation. Hiring underage persons for a position which is detrimental to their health and safety is prohibited.

2.3. Health, safety, environment and quality

Protecting the health and safety of employees, as well as protecting the environment and conserving natural resources, are JGL's top strategic priorities, and the company strives to conduct its operations in a manner that is not harmful to the environment. We therefore also expect our suppliers to provide a safe working environment, which poses no danger to the health of their employees. Furthermore, the supplier's business shall be based on the principles of efficiency and a responsible attitude towards the environment. Our suppliers shall be expected to systematically manage the reduction of their environmental footprint, taking into account, among other things, energy, water, waste, chemicals, air pollution and biodiversity, and to set targets to reduce these effects.

JGL's suppliers shall comply with health and safety regulations and provide appropriate safety measures, infrastructure and equipment to protect their employees, contractors and property. Suppliers should have crisis management policies in place for rapid and effective emergency response.

JGL's suppliers shall implement safety arrangements for managing their production process in accordance with relevant safety standards. Suppliers shall resolve product-related problems and potential consequences of their use at all stages of the production process. When handling dangerous chemicals, suppliers shall carry out specific risk assessments and introduce appropriate measures to prevent potential incidents such as the release of chemicals into the environment and/or explosions. When conducting their business activities, JGL's suppliers shall adhere to the commonly accepted or contractually stipulated quality standards so that the services and goods delivered meet JGL's needs, serve their intended purpose and are safe to use.

On JGL's territory, suppliers shall fully comply with current JGL rules and directives.

2.4. Enforcement of the code of conduct

Suppliers shall ensure that the principles contained in this Code of Conduct are communicated to other parties in their supply chain.

JGL shall reserve the right to verify and monitor the compliance of the supplier's procedures with the provisions of this Code of Conduct. JGL or a third person authorised by it may visit the supplier's premises or request information from the supplier on the compliance of their procedures with this Code of Conduct.

In case of irregularities, JGL shall cooperate with suppliers in order to take corrective action as soon as possible. Should the suppliers not demonstrate a willingness to take such action, or in case the action taken does not produce results, JGL may decide to terminate its business partnership with the suppliers.

Suppliers shall report any irregularities in JGL's employees and/or representatives, subcontractors or intermediaries to JGL using the following e-mail address:
jgl@jgl.hr

Ivo Usmiani,
President of the Board of Directors

